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FIELD REPRESENTATION

Progress report by the Director-General

Summary

Reports on the status of implementation of the field representation programme in accordance with the recommendations contained in General Conference resolution GC.7/Res.11.

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Abbreviations

AE	Associate Expert
DGO	Development Cooperation Group Office
GS	General Service
IPS	Investment Promotion Service
JPO	Junior Professional Officer
PO	Professional Officer
UCD	UNIDO Country Director
UND	UNIDO National Director
UNDP	United Nations Development Programme

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Introduction

1. With the adoption of the Business Plan on the Future Role and Functions of UNIDO by the Industrial Development Board in June 1997 and the endorsement of the programme and budgets, 1998-1999 by the General Conference in December 1997, the implementation phase of the decentralization of activities from Headquarters to the field and consequential restructuring of UNIDO's field representation programme has been de facto launched.

2. In resolution GC.7/Res.11, the General Conference in December 1997 requested the Director-General to develop and implement, in consultation with Member States, a final proposal for country coverage and location of country and subregional field offices, based on objective criteria, in accordance with the Business Plan, and on the work of the ad hoc open-ended working group on issues related to field representation. Furthermore, the Conference requested the Director-General to strengthen the financial and operational authority of field offices and ensure better coordination of activities between Headquarters and the field while maintaining the minimal necessary critical mass at Headquarters.

3. The Director-General was also requested to submit a progress report to the Industrial Development Board at its nineteenth session. In response to that request, the present document outlines the main developments in the first quarter of the year.

I. CURRENT STATUS OF FIELD REPRESENTATION

4. As of 1 March 1998, UNIDO maintained 26 field offices, 23 of which are headed by an internationally recruited UCD and three of which were vacant.[1] In addition, the Organization was represented by UNIDO National Directors in three countries: Nepal, Togo and Turkey. The composition of UNIDO field representation by region and by country is shown in the annex. There are 10 offices in Africa, three in Arab States, seven in Asia and the Pacific, and six in Latin America and the Caribbean.

5. As of 1 March 1998, a total of 23 Junior Professional Officers (JPOs) and eight Associate Experts (AEs), financed by 10 donor countries, were assigned to 24 countries. Of the total, nine JPOs and three AEs were located in countries without a resident UCD.

II. IMPLEMENTATION OF RESOLUTION GC.7/RES.11

6. The Business Plan and the work of the ad hoc open-ended working group on issues related to field representation (PBC.13/CRP.5) represent the conceptual structure for the reorientation of UNIDO's presence in the field. The Business Plan provides the basic framework for the Organization to adapt its functions and priorities and orient its activities accordingly, while ensuring sustainability and efficiency. It calls for an effective decentralization of activities and strengthened field representation through a process of redeployment of resources and professional staff with the required level of expertise from Headquarters to the field, appropriate delegation of authority, and formulation of key functions and responsibilities of field offices.

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[1] The field offices which were vacant on 1 March 1998 were those in Cameroon, Ghana and Thailand.

7. These principles have been reaffirmed in the report of the ad hoc open-ended working group, which provides the policy guidelines and recommendations of restructuring the field representation programme. The document states that the reorientation of the programme should proceed along the lines of substantive decentralization, empowerment of field offices, adequately staffed field offices, prompt delivery of quality services and cost-effectiveness.

8. These recommendations have been the subject of extensive discussions within the Organization. Specifically, a global meeting of UCDs was organized at Headquarters in January 1998 as a major first step in the process of translating the principles of the Business Plan into practice. The meeting—which was also attended by representatives of the United Nations Secretariat, UNDP, DGO and bilateral development agencies—covered issues such as decentralization of activities and implications for programme development and project cycle management, division of labour between Headquarters and the field, the role of UNIDO within the proposed unified United Nations field representation, and delegation of authority to the field. The report of the meeting was sent to Permanent Missions, United Nations Resident Coordinators, Resident Representatives of the United Nations Development Programme (UNDP) as well as to UNDP Headquarters in New York.

9. On the basis of the conclusions and recommendations of the meeting, a comprehensive work plan for the decentralization of activities to the field and the consequent restructuring of UNIDO's field presence has been prepared. It includes the timetable and follow-up actions required for decentralization and issuance of related guidelines and instructions.

10. In the approved programme and budgets for the 1998-1999 biennium, some 70 per cent of the resources earmarked for Regional Programme Management were deployed in the field, with the remaining 30 per cent retained at Headquarters. This ratio represented a reversal of resource allocations in the programme and budgets approved for the 1996-1997 biennium. Of the 1998-1999 resources allocated to the field, 41 per cent relate to Africa, 13 per cent to Arab States, 22 per cent to Asia and the Pacific, 3 per cent to Europe and the Newly Independent States of the former Soviet Union (NIS), and 21 per cent to Latin America and the Caribbean.

11. In Director-General's bulletin UNIDO/DGB(0).82 of 27 February 1998, the new organizational structure and assignment of staff was announced. The staff assignments for Headquarters are in line with the levels foreseen in the programme and budgets, 1998-1999. The staff field assignments which are not yet determined will ultimately support 25 country and 5 subregional offices. The level of field representation corresponding to the programme and budgets for 1998-1999 will be attained following the ongoing review of the location of field offices, in consultation with Member States and the subsequent assignment of staff.

A. Decentralization, key functions and responsibilities of field offices

12. Decentralization of activities entails improved coordination between field offices, Investment Promotion Service (IPS) offices and Headquarters as well as direct channels of communication between field offices and technical staff at Headquarters. This new organizational structure is reflected in the terms of reference of the Regional Bureaux and field offices as well as the job descriptions of staff in the Field Operations and Administration Division. The terms of reference and job descriptions were reviewed by the concerned units at Headquarters and discussed at the global meeting of UCDs in January.

13. In principle, the field component of UNIDO operations will be responsible, *inter alia*, for country-level programming, selective implementation of projects in the field and mobilization of extrabudgetary financial resources at the field level. The Headquarters component of field operations will concentrate on supervision, coordination, evaluation, policy guidelines and overall programme development. It will also retain full authority for those regions or countries where there is no adequate field representation.

14. Terms of reference for the Regional Bureaux at Headquarters and the UNIDO Field Representatives (at the country and subregional levels) were finalized and issued in February 1998 in the Director-General's bulletin on secretariat structure and assignment of staff (UNIDO/DGB(O).82).

B. Decentralization and delegation of authority to the field

15. At the operational level, decentralization of activities to the field calls for increased delegation of authority to field offices. The issue of to what extent authority should be delegated to UCDs has been the subject of extensive discussion, especially at the global meeting of UCDs in January. A number of proposals for delegation of authority in the areas of procurement, recruitment, personnel and financial management of field offices have been elaborated and discussed with the relevant units at Headquarters as well as UCDs. The corresponding guidelines, instructions and procedures to operationally delegate administrative and financial authority to the field are under preparation for issuance in the near future.

C. Location and staff requirements of field offices

16. The Business Plan on the Future Role and Functions of UNIDO outlines the fundamental criteria which must orient decisions on the location of field offices. It states: "In this context, subregional offices will be established wherever functionally justified. Contributions from host countries, through cost-sharing or other arrangements, as well as the particular situation of the least developed countries, will be important elements to be taken into account when determining the location of individual field offices."

17. Among the multitude of criteria, it is recognized that the structure of UNIDO field representation should be rationalized primarily on the basis of the present and potential involvement of the Organization in supporting a country's industrial development programmes and projects, particularly in relation to the least developed countries, likely access to funds from international institutions and donor countries, and the readiness of host country Governments to contribute towards local costs through cost-sharing or other arrangements. The programme and budgets foresee a level of host country contributions of 30 per cent of local operating costs and formal discussions with recipient countries on such contributions are now being taken up. A political environment conducive to the efficient functioning of the office and availability of infrastructure should also be taken into account.

18. There is a growing demand both from host countries and UNDP field offices for a strengthened UNIDO presence in the field. However, no new specific proposal has been received from any donor country for voluntary financial contributions to meet the cost of increased demand from developing countries for UNIDO's field representation. The Director-General has had preliminary consultations with a number of Member States on the matter.

19. The programme and budgets, 1998-1999, provide financial resources for 30 field offices, staffed with 35 Professional-level and 60 General Service-level staff. To meet the staff requirement as outlined in the programme and budgets, some 10 Professional-level staff have been designated for reassignment from Headquarters to the field. The reassignments are to take place as field office locations are confirmed. The Director-General has launched a process of informal consultations with Member States on the optimal locational pattern for UNIDO field offices in each region.

III. ACTION REQUIRED OF THE BOARD

20. The Board may wish to consider the information provided in the present document and make appropriate recommendations on the further implementation of the field representation programme.

Annex

COMPOSITION OF FIELD OFFICES

Table 1
UNIDO field representation, by region
(as of 1 March 1998)

Region	Staff				
	UCD	UND	AE/JPO [a]	NPO	GS
Africa					
Arab States	8	1	18	3	24
Asia and Pacific	3	0	0	0	9
Europe and NIS	6	1	10	3[b]	17
Latin America and the	0	1	0	0	4
Caribbean	6[c]	0	3	2[d]	14
Total	23	3	31	8	68

[a]Indicates the total number of Junior Professional Officers (JPOs)/Associate Experts (AEs) and UNIDO staff posted in the region.

[b]Includes an International Industrial Development Adviser.

[c]Includes a UNIDO Technical Adviser acting as UNIDO Country Director (UCD).

[d]Includes an International Programme Officer on special leave without pay.

Table 2
UNIDO field representation, by country
(as of 1 March 1998)

Country	UCD	UND	FO	AE	JPO	Secretary	Driver	Total
AFRICA								
Benin	-	-	-	-	1	-	-	1
Cameroon*	-	-	-	-	1	1	1	3
Côte d'Ivoire*	1	-	-	1	-	1	1	4
*Ethiopia**	1	-	-	-	1	1	1	4
Ghana*	-	-	-	-	1	1	1	3
*Guinea**	1	-	1	-	-	1	1	4
Kenya*	1	-	-	1	1	-	1	4
Madagascar	-	-	-	1	-	1	1	3
Malawi	-	-	-	1	-	-	-	1
Mozambique	-	-	-	1	1	-	-	2
Nigeria*	1	-	1	-	2	1	1	6
Senegal*	1	-	-	-	1	1	1	4
Togo	-	1	1	-	-	1	1	4
Uganda	-	-	-	-	1	-	-	1
*United Rep. of Tanzania**	1	-	-	-	1	2	1	5
*Zambia**	1	-	-	-	1	1	1	4
Zimbabwe	-	-	-	-	1	-	-	1
Total	**8**	**1**	**3**	**5**	**13**	**12**	**12**	**54**
ARAB STATES								
Algeria	-	-	-	-	-	1	-	1
Egypt	-	-	1	-	-	1	-	2
Lebanon*	1	-	-	-	-	2	1	4
*Sudan**	1	-	-	-	-	1	1	3
Tunisia*	1	-	-	-	-	1	1	3
Total	**3**	**0**	**1**	**0**	**0**	**6**	**3**	**13**
ASIA and the PACIFIC								
China*	1	-	2	-	2	3	1	9
India*	1	-	-	1	1	2	1	6
Indonesia*	1	-	-	-	-	2	1	4
Nepal	-	1	-	-	-	-	-	1
Pakistan*	1	-	-	-	1	1	1	4
Philippines*	1	-	-	-	1	1	1	4
Sri Lanka	-	-	-	-	-	1	-	1
Thailand*	-	-	-	-	1	-	1	2
Viet Nam*	1	-	1	2	1	-	1	6
Total	**6**	**1**	**3**	**3**	**7**	**10**	**7**	**37**
EUROPE and NIS								
Turkey	-	1	-	-	-	1	1	3
Uzbekistan	-	-	-	-	-	1	1	2
Total	**0**	**1**	**0**	**0**	**0**	**2**	**2**	**5**
LATIN AMERICA and the CARIBBEAN								
Argentina*	1	-	-	-	-	2	-	3
Bolivia*	1	-	-	-	-	2	-	3
Brazil	-	-	-	-	-	-	-	0
Colombia*	1	-	-	-	-	1	1	3
Costa Rica	-	-	-	-	1	-	-	1
Cuba	-	-	1	-	-	-	-	1
Equador	-	-	1**	-	1	1	1	3
Honduras*	1	-	-	-	-	1	1	3
Jamaica*	1	-	-	-	-	1	1	3
Mexico*	1	-	-	-	-	1	1	3
Nicaragua	-	-	-	-	1	-	-	1
Total	**6**	**0**	**1**	**0**	**3**	**9**	**5**	**24**
Grand total	**23**	**3**	**8**	**8**	**23**	**39**	**29**	**133**

* UNIDO field office.

**Special leave without pay.

Least developed countries printed in italics